

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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| IN RE: MIDAMERICAN ENERGY COMPANY | DOCKET NO. RPU-01-9 |
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**ORDER DOCKETING CASE, ESTABLISHING PROCEDURAL SCHEDULE,
AND REQUIRING ADDITIONAL INFORMATION**

(Issued January 2, 2002)

On November 13, 2001, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) an application for determination of ratemaking principles pertaining to the proposed 540 MW Greater Des Moines Energy Center, a combined-cycle generating unit MidAmerican seeks to build in Polk County, Iowa. As part of the application, MidAmerican filed a request for waiver of certain proposed rules noticed in Docket No. RMU-01-11. The proposed rules set forth the filing requirements for a ratemaking principles proceeding.

The ratemaking principles proceeding is a new proceeding pursuant to Iowa Code § 476.53, which was enacted during the past legislative session as part of House File 577. This section provides that when defined new electric generation is constructed by a public utility, the Board shall specify in advance, by order issued after a contested case proceeding, the ratemaking principles that will apply when the costs are included in electric rates.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response to the request for waiver on November 27, 2001, and an

answer on November 28, 2001. MidAmerican and Consumer Advocate submitted a proposed procedural schedule on December 12, 2001.

In its waiver request, MidAmerican requested a waiver of some of the proposed rules in Docket No. RMU-01-11, particularly proposed rule 199 IAC 41.3(6). This rule, if adopted, would require an applicant in a ratemaking principles proceeding to demonstrate its consideration of other long-term supply options by conducting a competitive bidding solicitation under the Board's proposed competitive bidding rules or by developing a proxy power purchase agreement. Because the rules have not been adopted, the Board does not grant formal waivers of proposed rules. The Board only grants waiver of rules that have been adopted by the Board. The Board is evaluating whether the information required by the proposed rule is necessary for this proceeding. If the Board determines some or all of it is, an order will be issued requiring MidAmerican to file the appropriate information.

The Board has reviewed the application and finds that it generally follows the proposed rules. The application will therefore be docketed for investigation and a procedural schedule set. In setting the schedule, the Board will use the proposed schedule filed by MidAmerican and Consumer Advocate as a guide.

The Board will also require MidAmerican to file additional information. Because MidAmerican proposes to begin construction on the Greater Des Moines Energy Center in May 2002, the Board, as it continues its review of the filings, may issue subsequent orders requesting additional information rather than wait for hearing to make such requests. Requesting information prior to hearing allows all

parties an opportunity for review prior to hearing so that cross-examination on the requested information need not be delayed.

MidAmerican will be required to provide the following information within 15 days from the date of this order:

1. Describe how MidAmerican initially proposed to jurisdictionally allocate generation plant in its last rate case (Docket No. RPU-01-3/RPU-01-5), based on MidAmerican's prefiled testimony and exhibits. What percentage would have been allocated to Iowa under MidAmerican's initial proposal?
2. Are there any electric utility rate proceedings in other states where multi-jurisdictional utilities have proposed to allocate generation plant to only one of its state jurisdictions? If yes, please identify the states and docket numbers of the proceedings, and also state which, if any, of these allocation proposals have been approved.
3. On page 25 of his direct testimony, MidAmerican witness Stevens states that "MidAmerican will implement procedures designed to ensure that any time the GDMEC (Greater Des Moines Energy Center) operates, Iowa customers will realize the benefits that result from the economies of the GDMEC." Provide a complete description of these procedures, and fully explain how they will ensure that Iowa customers receive the full benefits of GDMEC.

IT IS THEREFORE ORDERED:

1. An investigation is initiated with respect to the application for determination of ratemaking principles filed by MidAmerican Energy Company on November 13, 2001. This matter is identified as Docket No. RPU-01-9, a formal contested case proceeding. The expenses reasonably attributable to this investigation will be assessed to MidAmerican in accordance with Iowa Code § 476.10 (2001).

2. The following procedural schedule is established:

a. The parties shall notify the Board prior to February 25, 2002, if they desire a prehearing conference.

b. Consumer Advocate and any intervenors shall file prepared direct testimony, with underlying workpapers and exhibits, on or before February 25, 2002. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.

c. MidAmerican shall file its rebuttal testimony, with underlying workpapers and exhibits, on or before March 5, 2002.

d. The parties shall file a joint statement of the issues on or before March 7, 2002.

e. All parties that choose to file a prehearing brief may do so on or before March 7, 2002.

f. A hearing shall be held beginning at 10 a.m. on March 25, 2002, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the Board's hearing room at 350 Maple Street, Des Moines, Iowa 50319-0069. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

3. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

4. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination that have not been previously filed shall become a part of the evidentiary record of these proceedings. The party making reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

5. In the absence of objection, when the Board has called for further evidence on any issue and the evidence is filed after the close of the hearing, the evidentiary record will be reopened and the evidence will become part of the record five days after the evidence is filed with the Board. All evidence filed pursuant to this paragraph shall be filed no later than seven days after the close of the hearing in this proceeding.

6. MidAmerican shall file the information identified in this order within 15 days from the date of this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer
Executive Secretary, Assistant to

Dated at Des Moines, Iowa, this 2nd day of January, 2002.